UNITED NATIONS

General Assembly

FIFTIETH SESSION
Official Records

FIFTH COMMITTEE
67th meeting
held on
Thursday, 12 September 1996
at 3 p.m.
New York

SUMMARY RECORD OF THE 67th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 117: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued)

AGENDA ITEM 10: REPORT OF THE SECRETARY-GENERAL ON THE WORK OF THE ORGANIZATION (continued)

AGENDA ITEM 125: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued)

AGENDA ITEM 126: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (continued)

AGENDA ITEM 128: FINANCING OF THE UNITED NATIONS PROTECTION FORCE, THE UNITED NATIONS CONFIDENCE RESTORATION OPERATION IN CROATIA, THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE AND THE UNITED NATIONS PEACE FORCES HEADQUARTERS (continued)

AGENDA ITEM 134: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN LIBERIA (continued)

AGENDA ITEM 113: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued)

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Distr. GENERAL
A/C.5/50/SR.67
10 October 1996

ORIGINAL: ENGLISH

96-81116 (E)

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CONTENTS (continued)

AGENDA ITEM 138: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (continued)

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued)

AGENDA ITEM 114: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (continued)

The meeting was called to order at 3.15 p.m.

AGENDA ITEM 117: IMPROVING THE FINANCIAL SITUATION OF THE UNITED NATIONS (continued) (A/50/666 and Corr.1 and Add.1-6)

1. Mr. CONNOR (Under-Secretary-General for Administration and Management) said that he wished to provide updated information on the cash position of the United Nations at 31 August 1996 and the projected outlook for the Organization's cash position to the end of 1996.

2. At the end of August, unpaid assessments stood at almost $2.9 billion. The extraordinarily high level of amounts owing to the Organization had continued to undermine its financial position. The deficit in the Combined General Fund (including the regular budget and reserves) had increased from negative $18 million at the end of June to negative $84 million at the end of August, despite a heartening effort by many Member States to meet their obligations to the Organization. At the time of speaking, 88 Member States had fully paid their contributions to the regular budget compared to 72 in September 1995.

3. Nevertheless, unpaid contributions to the regular budget at the end of August totalled $773 million, of which some $408 million related to 1996 and $365 million to prior years. Of the total amount due, 73 per cent was owed by the United States.

4. In April, the United States Government had advised the Secretariat that its Congress had legislated its national budget for the current fiscal year and that the United Nations could expect to receive $155 million by 30 September in regular budget payments in addition to amounts already received under continuing spending resolutions. Of that amount, $79 million had been received, principally in July.

5. The Secretariat had also been advised that the remaining $80 million which had been legislated would not be paid until the United States Secretary of State had been able to certify that the United Nations had not exceeded its current biennium budget of $2,608 million.

6. In late August such certification had been made as to a portion of the withheld amount and the United Nations had subsequently received a payment of $40 million of the United States regular budget assessment. It was still unclear when the remaining $40 million subject to certification could be expected, and that amount had therefore not been included in the Secretariat's projections to 31 December 1996.

7. As a result of the payment of $40 million by the United States during August, the General Fund cash balance at the end of 1996 was currently projected to be a negative $243 million rather than the negative $287 million as foreseen in the projections made at the end of July. Should the United States pay the second half of the $80 million subject to certification before the end of the year, the year-end negative balance would be $203 million. That forecast

included a projected payment of $113 million by the United States in the final quarter of 1996, the same amount as paid to the United Nations by the United States in the same period of the previous year.

8. The Organization was currently in a negative regular budget cash position. That situation would continue each month end to 31 December 1996, even if all projected cash inflows currently forecast or possible were received from the United States. Continued borrowing from peacekeeping accounts was thus unavoidable. It was unfortunate that such an imprudent financial practice had become institutionalized.

9. As at 31 August 1996, unpaid contributions to peacekeeping accounts totalled $2.1 billion, including some $61.4 million of assessments issued within the 30-day due period. Cash flow forecasts for peacekeeping operations had become much more difficult to make than those for the regular budget. The timing and amount of peacekeeping assessments and the resultant effect on the predictability of receipts were much more volatile than was the case with the regular budget.

10. Based on information currently available, it was anticipated that the combined peacekeeping cash position at 31 December 1996 would total $866 million, an increase of $29 million from the amount foreseen in the July forecast. That increase reflected a downward adjustment of $21 million in projected receipts, as well as somewhat lower expenditures - $50 million - projected for the balance of 1996.

11. Given the vagaries of forecasting peacekeeping receipts and disbursements, a net change of $29 million was considered minimal. Other assumptions which did not change were more important. The new forecast reflected the continuing assumption that payments to troop providers would total $350 million in 1996. By the end of August, $279 million of that amount had been disbursed. In addition, a special year-end payment to Member States of $275 million for troop costs was still forecast. That payment was contingent on the receipt by year-end of $400 million expected from the Russian Federation in 1996. The Russian Federation had recently reaffirmed its intention to make that payment by the end of the year.

12. Depending on actual receipts to the end of the year, which in turn could be affected by the amount and timing of the additional peacekeeping assessments to be approved by the General Assembly in the remaining months of 1996, additional payments for troop and equipment costs might be contemplated. On current assumptions, the total outstanding for both those items would be about $700 million at the end of 1996. The Secretary-General remained committed to reducing that amount as much and as quickly as possible.

13. On current projections, the Combined General Fund would end 1996 with a negative balance of $243 million, and combined peacekeeping accounts would show a positive balance of $866 million. The Combined cash position of the Organization would therefore be $623 million. Although that forecast reflected some improvement in comparison with the forecast made at the end of July, it

still included a persistent and growing cash deficit under the regular budget which would have to be covered by continuing borrowing. It also depended crucially on peacekeeping cash flow projections which were subject to significant uncertainty.

14. Even if all the revenue currently forecast was received, the Organization would remain in a precarious financial position. Total unpaid contributions were projected to be $2.2 billion at the end of the year. Furthermore, the Organization would still be dependent for its financial survival on an unacceptably high level of debt to those Member States participating in peacekeeping activities. The Secretary-General had reiterated that it was crucially important for Member States to meet their obligations to the Organization promptly and in full.

15. The Secretariat was continuing to pursue vigorously its efforts to stay within the approved regular budget level of $2,608 million. To do so, it had been necessary to reduce real costs below the level of the budget for 1994-1995 in order to offset upward cost pressures resulting from inflation and adverse movements of other currencies against the United States dollar. A total of $98 million in cost savings had already been identified when the 1996-1997 proposed programme budget was in preparation. A further reduction of $154 million had also been identified and reported to the General Assembly. The budget outline for 1998-1999 provided for an additional cut of $204 million.

16. All of the above had been achieved without reference to the additional unfunded mandates approved by the General Assembly since the adoption of the budget for 1996-1997, the costs of which had been previously estimated at some $120 million. In order to achieve reductions of that magnitude, it was inevitable that some authorized posts would not be filled and consequently the Organization would operate with fewer personnel.

17. The number of staff had been reduced by 1,000, an 11 per cent decrease compared with 1994-1995. A total of 100 posts had been eliminated in the proposed programme budget for 1996-1997. By July 1996, 900 other posts had been vacated. The staff members concerned had largely been separated by voluntary action. Additional vacancies had been created since July. The number of Secretariat staff on regular budget posts had decreased to approximately 9,000. Subject to General Assembly approval, the 1998-1999 biennium would be characterized by further reductions in occupied posts, numbering some 500, or about 5 per cent.

18. A series of efficiency reviews had been designed to simplify or re-engineer work processes, which had been of considerable help in achieving the downsizing while at the same time facilitating the Secretariat's efforts to carry out all mandated activities. Those efforts would continue and intensify.

19. While it was too early in the biennium to predict with assurance the expenditure status of the budget as a whole, there were no indications that the budget was being overspent, despite the new mandates and the added costs connected with personnel terminations.

20. New mandates entailing expenditures of some $37 million - dealing primarily with Haiti and Guatemala - had been legislated in the spring of 1996 without the provision of additional assessments to fund them. The new mandates were increasing the Organization's total costs. However, the achievement of a vacancy rate somewhat higher than anticipated and the strengthening of the United States dollar in relation to the Swiss franc had offset the additional costs. The Secretary-General was committed to living within the present biennial appropriation, and the record to date showed that he had been doing just that.

21. Mr. HANSON (Canada) said that the level of borrowing from peacekeeping accounts was unacceptable and asked for an assurance from the Secretary-General that he would be able to repay such borrowing in accordance with the conditions applicable to the Working Capital Fund.

22. Mr. SULAIMAN (Syrian Arab Republic) said that the Organization's precarious financial situation required all Member States to honour their responsibilities under the Charter and operate in accordance with the scale of assessments mandated by the General Assembly.

23. The financial crisis could be resolved only if Member States paid their arrears. The Syrian Government had therefore decided to pay all its arrears in respect of peacekeeping operations over a six-year period beginning in 1997. However, his Government refused to pay anything towards the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon, since its views on those peacekeeping operations were well known and had been repeated on other occasions.

24. Mr. THORNE (United Kingdom) welcomed the increase in transparency with regard to the Organization's financial situation, and reiterated the concern articulated by the representative of Canada regarding the continual recourse to cross-borrowing from peacekeeping accounts. His delegation wanted an assurance from the Secretary-General that such borrowing could be repaid. It would also be useful to receive an updated list showing how much the Secretariat owed to whom in respect of peacekeeping operations. His Government was particularly concerned that existing funds earmarked for payment to troop contributors were being raided to keep the Organization going.

25. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, said that the Group had always maintained that any economy measures should be studied carefully by the General Assembly prior to implementation by the Secretariat. If such measures contradicted other General Assembly resolutions, the final say should lie with the General Assembly.

26. In approving the programme budget for 1996-1997, the General Assembly in its resolution 50/214 had decided that cost reductions of $104 million should be achieved through the biennium through efficiency gains as well as personnel cost cutting. In order to achieve the cost savings resulting from staff reductions, a vacancy rate of 6.4 per cent for both Professional and General Service posts was mandated.

27. In his subsequent report, A/C.5/50/57, the Secretary-General had indicated that efficiency gains would be achieved, inter alia, through changes in the estimated average vacancy rate of 9 per cent for Professional posts and 7 per cent for General Service posts. The Secretariat should explain the basis of staff reductions which exceeded the 6.4 per cent figure mandated by the General Assembly. In addition, the General Assembly resolution had stipulated that the economy measures should be achieved through both personnel and non-personnel cost cutting. Her delegation wanted to know why cost savings were being made principally at the expense of the Secretariat.

28. In its report A/50/7/Add.16, the Advisory Committee on Administrative and Budgetary Questions had indicated that Professional vacancies were the Secretariat's response to the requirement to achieve $104 million in additional savings and were not specifically mandated by the General Assembly. The Advisory Committee had stated that the Secretary-General should have provided a better explanation of the need to increase the Professional vacancy rate in relation to other non-staff economies, since the vacancy rate for Professionals had a potential impact on mandated programmes.

29. General Assembly resolution 50/214 required the Secretary-General to ensure fair, equitable and non-selective treatment of all budget sections and departments when proposing reductions, and in any case staff reductions should always be considered by the General Assembly prior to implementation.

30. Given the current financial situation of the Organization, the early separation of staff or "buy-outs" appeared to be of minimal utility as far as achieving cost savings was concerned. In addition, the Secretary-General had not clearly indicated the financial implications related to "buy-outs" or the involuntary separation of staff.

31. The Group of 77 and China was concerned that the targeted vacancy rate in the Secretariat was higher than that mandated by the General Assembly, and in that connection her delegation requested more information about the number of staff members whose contracts had been terminated and the number of staff members with permanent contracts who had been affected by such measures. It would also be useful to receive a breakdown of such personnel by department, nationality, grade and possible programmatic impact.

32. Mr. ODAGA-JALOMAYO (Uganda) endorsed the views of the Group of 77 and China and awaited the Secretariat's response on the matters raised. He reminded the Committee that Uganda was one of the world's poorest countries, yet it had paid all its assessed contributions in full and on time. Uganda's payment record reflected his Government's appreciation of and commitment to the United Nations.

33. Mr. GELBER (United States of America) said that his Government was encouraged by the sound management of the Under-Secretary-General and hoped to be in a position to pay the amounts to which he had referred in his statement.

34. Mr. MIRMOHHAMAD (Islamic Republic of Iran) endorsed the views of the Group of 77 and China and requested the Secretary-General not to freeze or abolish

posts until the matter had been considered by the General Assembly. His delegation would also be grateful for fuller information on the number of consultants employed by the Secretariat.

35. Mr. CONNOR (Under-Secretary-General for Administration and Management) thanked the representatives of Uganda and the United States for the encouraging news about their contributions. Replying to the question posed by the Canadian representative, he said that the Secretary-General felt reasonably confident that he could comply with the requirements for borrowing from the Peacekeeping Reserve Fund in order to replenish the regular budget. He hoped that Member States would not make it necessary for the Secretariat to continue that practice.

36. Replying to other questions, he said that it had been a difficult year for the Secretariat, which had been instructed to reduce costs by $154 million. To some extent, the reduction was supposed to have come about naturally as a result of the vacancy rate of 6.4 per cent. In fact, that rate, already applicable to staff in the Professional category, would never have yielded $154 million in savings, as personnel accounted for 70 per cent of the Organization's costs. The results of the cost-savings exercise were contained in a report submitted to the Committee in March; a second report, submitted on 31 August, was currently being reviewed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The Secretariat had acted swiftly to carry out the instructions of the Fifth Committee; had it taken no action until the end of December, it would have had to impose a vacancy rate of approximately 20-25 per cent in order to achieve the $154 million target. In implementing the cost reduction, it had made every effort to preserve the Organization's ability to function and was fully prepared to respond to criticism. The implementation of certain activities would be delayed or modified as a result of the cost-savings exercise.

37. Approximately 40 staff members had been informed within the past week that they could not yet be placed in other posts under the redeployment exercise. Efforts were continuing to identify posts for them by the end of September; however, if nothing was available by that time, they would be separated. Those 40 cases of involuntary separation, however, must be viewed in the larger context: 900-1,000 posts were vacant or frozen.

38. The Secretariat and ACABQ were currently working to provide the additional information requested on the total number of staff separated, their nationalities and the types of contracts they had held.

39. Updated information on how much was owed to each troop-contributing State would soon be available. The generation of information on indebtedness for contingent-owned equipment would be much more time consuming. The Controller was confident that such information would be released early in the fifty-first session of the General Assembly. An estimated $750 million would be owed to Member States for troops and contingent-owned equipment by the end of the calendar year, with contingent-owned equipment accounting for the bulk of that

debt. Troop reimbursement was expected to be current by that time, thanks to a payment of some $400 million by the Russian Federation.

40. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, proposed that Mr. Connor's replies should be submitted in writing to the first meeting of the fifty-first session of the General Assembly. The Group of 77 and China believed that the Secretariat should not be implementing economy measures without the prior approval of the General Assembly. In particular, they were deeply concerned about the Secretariat's interpretation of its mandate with regard to the vacancy rate. She also wished to propose that the Committee should adopt a draft decision reaffirming paragraphs 3 and 5 of General Assembly resolution 50/230 and paragraphs 3 and 4 of General Assembly resolution 50/231.

41. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that the European Union would require more time to consider the Costa Rican proposal.

42. Mr. GELBER (United States of America) said that his delegation, too, would need time to consult its Government. The Committee should be cautious about highlighting certain paragraphs over others in resolutions that had already been adopted, as resolutions were often drafted to reflect a compromise among diverging views.

43. Mr. SCOTTI (France) fully supported the comments made by the representatives of Ireland and the United States. The paragraphs in resolutions 50/214 and 50/230 had been carefully designed to build a consensus among delegations. The balance that had been achieved should not be upset.

44. Mr. AMARI (Tunisia) supported the Costa Rican proposal. Both General Assembly resolutions in question had been adopted by consensus and therefore reflected the position of the membership as a whole.

45. Mr. ODAGA-JALOMAYO (Uganda) supported the remarks made by the Costa Rican representative on behalf of the Group of 77 and China. The Under-Secretary-General's assertion that the cost-savings measures had been taken within the Secretariat's mandate was somewhat unfair. The Assembly had given the Secretariat clear guidelines on how to achieve the savings, which did not include an increase in the vacancy rate. He wondered whether that action had been taken to accommodate recently adopted mandates for which there were no corresponding resources. The Secretariat must not take action without first consulting the General Assembly. He hoped that the working relationship between the Fifth Committee and the Secretariat would improve during the fifty-first session.

46. Ms. PEÑA (Mexico) said that her delegation would have no problem supporting a draft decision that reaffirmed resolutions so recently adopted.

47. Ms. RODRIGUEZ ABASCAL (Cuba) said that the issue went beyond the vacancy rate. The Secretariat had shown a lack of respect for the decisions taken by Member States after long and delicate negotiations. In March, the General Assembly had reiterated that economy measures should not be implemented without

its approval. Her delegation fully supported the Costa Rican proposal, which merely reiterated what the General Assembly had already decided.

48. Mr. THORNE (United Kingdom) acknowledged that the Fifth Committee had entrusted the Secretariat with a tremendously difficult task. If the Secretariat was to reduce a budget in which personnel accounted for 70 per cent, certain staff cuts would be inevitable. He looked forward to hearing the Secretariat's responses to a more detailed discussion of the reductions. His delegation would be unable to reaffirm specific paragraphs of a resolution on which balance had been achieved only after long and delicate negotiations. Nor could it support a decision requesting the Secretariat to discontinue the action it had already undertaken. Decisions on the functioning of the Organization must be left to the Secretary-General as chief administrative officer.

49. Mr. MOKTEFI (Algeria) expressed his delegation's full support for the Costa Rican proposal to reaffirm certain basic principles supported by consensus. It would be entirely appropriate to issue a warning to the Secretariat that it must not exceed its powers.

50. Mr. ODAGA-JALOMAYO (Uganda) said that, while the Secretary-General was indeed the chief administrative officer of the Organization, he was nonetheless bound by the instructions of the Member States.

51. The CHAIRMAN observed that the proposal by Costa Rica would more properly come under agenda item 116. He would take it that the Committee wished to revert to the proposal later in the meeting when it took up that item.

52. It was so decided.

AGENDA ITEM 10: REPORT OF THE SECRETARY-GENERAL ON THE WORK OF THE ORGANIZATION

Financial situation of the United Nations (A/50/43) (continued)

52. Mr. SUCHARIPA (Austria), speaking as Vice-Chairman of the High-level Open-ended Working Group on the Financial Situation of the United Nations, introduced the report on the progress of the work of the High-level Open-ended Working Group (A/50/43). In accordance with its mandate, the Working Group had taken into account the views expressed by the General Assembly at its forty-ninth and fiftieth sessions, including the Special Commemorative Meeting and the Declaration on the Occasion of the Fiftieth Anniversary of the United Nations. The Working Group had focused on three broad issues: (a) the cash-flow situation; (b) the payment of contributions in full and on time; increase in unpaid contributions; issue of arrears and incentives and disincentives; and (c) scale of assessments. An extensive exchange of views had taken place on all three issues and working papers had been submitted by individual members and groups of States. The report contained a list of all relevant documents prepared by Member States and by the Secretariat in 1995/1996, which would form the basis for further discussion and negotiations. In the discussions, the Working Group had agreed on the urgent need to find a solution to the financial situation and on the need for further deliberations. Paragraph 17 of the report

reflected the divergent views held by Working Group members on basic underlying questions.

53. On a more positive note, the activities of the Working Group had highlighted the dimensions of the financial situation, which, in turn, had facilitated the ongoing efforts of the President of the General Assembly and the Secretary-General to encourage Member States to pay their contributions on time and in full. Paragraph 21 contained a recommendation that the General Assembly should take note of the work of the High-level Working Group and authorize it to continue its deliberations during the fifty-first session. He hoped that that recommendation would be adopted by the Committee. In conclusion, the future work of the Working Group would be greatly influenced by the attitude of the major contributors to the regular budget of the United Nations, in particular towards their obligations under Article 17 of the Charter of the United Nations.

54. Mr. AMARI (Tunisia) expressed his delegation's willingness to participate in efforts to arrive at a solution to the Organization's unprecedented financial crisis.

55. Mr. ATIYANTO (Indonesia) expressed regret that the Working Group had been unable to formulate concrete recommendations. He hoped that it would do so during its future deliberations.

56. The CHAIRMAN said that he would take it that the Committee wished to take note of the report of the High-level Open-ended Working Group on the Financial Situation of the United Nations and transmit it to the General Assembly for consideration at its fifty-first session.

57. It was so decided.

AGENDA ITEM 125: FINANCING OF THE UNITED NATIONS MISSION FOR THE REFERENDUM IN WESTERN SAHARA (continued)

Draft decision A/C.5/50/L.73

58. Mr. ABELIAN (Armenia), Vice-Chairman, said that draft decision A/C.5/50/L.73 on the financing of the United Nations Mission for the Referendum in Western Sahara was the result of informal consultations and he therefore hoped that it could be adopted without a vote.

59. Draft decision A/C.5/50/L.73 was adopted.

AGENDA ITEM 126: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (continued)

Draft resolution A/C.5/50/L.75

60. Mr. ABELIAN (Armenia), Vice-Chairman, introducing draft resolution A/C.5/50/L.75 on the financing of the United Nations Observer Mission in El Salvador, said that the date in the second line of operative paragraph 1

should be changed to 31 August 1996 and the figure in the third line changed to 7,804,394 United States dollars. He hoped that the draft text, as orally revised, could be adopted without a vote.

61. Draft resolution A/C.5/50/L.75, as orally revised, was adopted.

AGENDA ITEM 128: FINANCING OF THE UNITED NATIONS PROTECTION FORCE, THE UNITED NATIONS CONFIDENCE RESTORATION OPERATION IN CROATIA, THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE AND THE UNITED NATIONS PEACE FORCES HEADQUARTERS (continued)

Draft decision A/C.5/50/L.74

62. Mr. ABELIAN (Armenia), Vice-Chairman, introduced draft decision A/C.5/50/L.74 on the financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces Headquarters.

63. Draft decision A/C.5/50/L.74 was adopted.

AGENDA ITEM 134: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN LIBERIA (continued)

Draft decision A/C.5/50/L.72

64. Mr. ABELIAN (Armenia), Vice-Chairman, introduced draft decision A/C.5/50/L.72 on the financing of the United Nations Observer Mission in Liberia.

65. Draft decision A/C.5/50/L.72 was adopted.

AGENDA ITEM 113: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (A/50/985; A/C.5/50/51) (continued)

AGENDA ITEM 138: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (A/48/622, A/48/912, A/49/654, A/49/936, A/50/907, A/50/976, A/50/985 and A/50/1012) (continued)

66. Mr. MADDENS (Belgium), Rapporteur, reporting on the results of his consultations on agenda items 113 and 138, said that, because of the lack of time and the complexity of the issues raised in the Secretary-General's reports, it was proposed that the General Assembly should defer consideration of those reports to its fifty-first session.

67. The CHAIRMAN proposed that the Committee should decide to recommend to the General Assembly the adoption of a draft decision on the management of peacekeeping assets in which the Assembly would take note of the reports of the Secretary-General entitled "Management of peacekeeping assets; surplus asset storage facilities and mission start-up kits" (A/49/936); "Management of peacekeeping assets: policy, technique and accounting issues" (A/50/965);

"Inventory control system for non-expendable property at Headquarters" (A/C.5/50/51), and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/50/985); and "Management of peacekeeping assets: surplus asset storage facilities and mission start-up kits at the United Nations Logistics Base, Brindisi" (A/50/907); decide to defer consideration of those reports to the fifty-first session of the General Assembly, and request the Secretary-General to submit follow-up information as requested by the Advisory Committee on Administrative and Budgetary Questions."

68. Mr. GOKHALE (India) sought the assurance of the Secretariat that the decision by the General Assembly to take note of the reports of the Secretary-General would not imply the endorsement of any action proposed therein by the Secretary-General. The General Assembly would be deciding merely to defer consideration of the reports to its fifty-first session.

69. Mr. MADDENS (Belgium), Rapporteur, said that it was his understanding that the General Assembly's decision to take note of the reports of the Secretary-General did not imply any endorsement of their contents. He too would welcome confirmation of that understanding from the Secretariat.

70. Mr. HOSANG (Director of the Peacekeeping Financing Division) assured the Committee that none of the pending decisions would be implemented until the additional information requested was obtained. The budget of the United Nations Logistics Base at Brindisi would continue to be funded on an ad hoc basis pending consideration of the matter at the fifty-first session of the General Assembly.

71. The Chairman's proposal was adopted.

Peacekeeping Reserve Fund

72. The CHAIRMAN proposed that the Committee should recommend for adoption by the General Assembly a draft decision in which the Assembly would take note of the report of the Secretary-General on the Peacekeeping Reserve Fund in documents A/48/622 and A/49/654 and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/50/976) and decide to defer consideration of those reports to the fifty-first session of the General Assembly.

73. The Chairman's proposal was adopted.

Draft decision 3: Rates of reimbursement to troop contributing States

74. The CHAIRMAN proposed that the Committee should recommend for adoption by the General Assembly a draft decision in which the Assembly would take note of the report of the Secretary-General on rates of reimbursement to troop contributing States (A/48/912) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/50/1012) and decide to defer

consideration of those reports to the fifty-first session of the General Assembly.

75. The Chairman's proposal was adopted.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (A/47/7/Add.5, A/47/454, A/49/633, A/49/952, A/50/7 and Add.14, A/50/692; A/C.5/47/17, A/C.5/47/61 and Corr.1, A/C.5/48/3, A/C.5/48/14, A/C.5/48/83, A/C.5/49/72, A/C.5/50/17, A/C.5/50/22, A/C.5/50/30, A/C.5/50/50, A/C.5/50/57/Add.1 and A/C.5/50/72) (continued)

76. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, proposed the adoption of a draft decision in which the General Assembly would recall its resolutions 50/214, 50/230 and 50/231, and request the Secretary-General not to proceed with the abolition, discontinuation or freezing of any post in the context of the 1996-1997 programme budget without the approval of the General Assembly.

77. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that, owing to the lack of time to consider the proposal which should be put in writing and circulated to all delegations, the European Union was not in a position to take action on it, particularly since the Advisory Committee's views on the matter should also be ascertained. The proposal could perhaps be taken up again in an informal meeting.

78. Mr. HANSON (Canada) said that he shared some of the concerns just expressed by the representative of Ireland. He was particularly concerned that the Committee and the General Assembly should not take any action that might infringe on the authority which the Charter vested in the Secretary-General as the chief administrative officer of the United Nations. In that connection, he would welcome clarification from the Secretariat as to whether the abolition, freezing or discontinuation of posts fell within the competence of the Secretary-General.

79. The CHAIRMAN suggested that further consideration of the matter should be deferred until the following day when the Secretariat would also advise the Committee of the implications of the proposed decision.

80. It was so decided.

81. The CHAIRMAN said that the Committee was not in a position to have a meaningful discussion of the report of the Secretary-General on the implementation of the programme budget for the biennium 1996-1997, since it was still awaiting the Advisory Committee's conclusions and recommendations on that report. He therefore proposed that the Committee should decide to recommend that the General Assembly take note of the report of the Secretary-General contained in document A/C.5/50/57/Add.1 and defer its consideration of it to the fifty-first session.

82. It was so decided.

The meeting was suspended at 5 p.m. and resumed at 5.40 p.m.

83. The CHAIRMAN drew the Committee's attention to the report of the Secretary-General on unforeseen and extraordinary expenses contained in document A/C.5/50/30.

84. Mr. AMARI (Tunisia), Vice-Chairman, reporting on the results of his consultations on the report of the Secretary-General (A/C.5/50/30), said that it had been decided to recommend that the General Assembly should defer consideration of the report to its fifty-first session.

85. It was so decided.

86. The CHAIRMAN drew the Committee's attention to documents A/C.5/50/17 on the construction of additional conference facilities at Addis Ababa and Bangkok, A/C.5/50/72 on special representatives, envoys and related positions, and A/C.5/50/30 on unforeseen and extraordinary expenses. In that connection, he wished to propose that the Fifth Committee recommend to the General Assembly the adoption of a draft decision in which the Assembly would take note of the reports of the Secretary-General on construction projects at Addis Ababa and Bangkok (A/C.5/50/17), on unforeseen and extraordinary expenses (A/C.5/50/30), and on special representatives and envoys (A/C.5/50/72), and decide to defer consideration of those reports to the fifty-first session of the General Assembly.

87. The Chairman's proposal was adopted.

88. The CHAIRMAN drew the Committee's attention to the documents submitted since the forty-seventh session of the General Assembly on the question of travel and related expenses. He suggested that the Committee should take note of some of those documents and recommend to the General Assembly to defer their consideration to the fifty-first session. He therefore proposed that the Committee should recommend for adoption by the General Assembly a draft decision in which the Assembly would take note of the reports of the Secretary-General on standards of accommodation for air travel (A/C.5/47/17, A/C.5/49/72, A/C.5/48/3 and A/C.5/50/22), on the review of travel and related entitlements for members of organs and subsidiary organs and staff members of the United Nations (A/C.5/47/61, A/C.5/48/14 and A/C.5/48/83), on the lump-sum option for travel by air in lieu of provision by the Organization of travel tickets and related entitlements on home leave, education grant and family visit (A/C.5/50/50), on the granting of technical assistance to least developed and other developing countries that are members of UNCITRAL (A/47/454), the related reports of the Advisory Committee on Administrative and Budgetary Questions on the matter (A/49/952 and A/47/7/Add.5), and the report of the Joint Inspection Unit entitled "Travel in the United Nations: issues of efficiency and cost savings" (A/50/692), and decide to defer consideration of those reports to the fifty-first session of the General Assembly.

89. The Chairman's proposal was adopted.

AGENDA ITEM 120: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (A/50/11/Add.2) (continued)

90. The CHAIRMAN proposed that, owing to the lack of time, the Committee should recommend that the General Assembly should take note of the report of the Committee on Contributions contained in document A/50/11/Add.2 and defer its consideration to its fifty-first session.

91. It was so decided.

AGENDA ITEM 114: REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS (A/49/16, A/49/98 and Corr.1 and Add.1 and 2, A/49/418, A/49/471 and Corr.1, A/50/16, A/50/676, A/50/742 and A/C.5/49/65) (continued)

92. The CHAIRMAN proposed that, owing to the lack of time, the Committee should decide to recommend to the General Assembly the adoption of a draft decision in which the Assembly would take note of the note by the Secretary-General on the report of the Joint Inspection Unit on managing works of art in the United Nations (A/50/742); the report of the Secretary-General on facilities management (A/50/676); the report of the Secretary-General on procedures for implementation of article VIII, section 29, of the Convention on the Privileges and Immunities of the United Nations (A/C.5/49/65); the report of the Secretary-General and that of the Ad Hoc Intergovernmental Working Group of Experts established pursuant to General Assembly resolution 48/218 A on jurisdictional and procedural mechanisms for the proper management of resources and funds of the United Nations (A/49/98 and Corr.1, and Add.1-2, A/49/418); the note by the Secretary-General transmitting views of the Panel of External Auditors and Board of Auditors on how oversight functions could be improved (A/49/471 and Corr.1); and the report of the Secretary-General on the review of the efficiency of the administrative and financial functioning of the United Nations (A/49/633); and decide to defer consideration of those reports to the fifty-first session of the General Assembly.

93. The Chairman's proposal was adopted.

The meeting rose at 6.10 p.m.

UNITED NATIONS

General Assembly

FIFTIETH SESSION

Official Records

FIFTH COMMITTEE
68th meeting
held on
Friday, 13 September 1996
at 3 p.m.
New York

SUMMARY RECORD OF THE 68th MEETING

Chairman: Mr. VILCHEZ ASHER (Nicaragua)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

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Distr. GENERAL
A/C.5/50/SR.68
11 October 1996

ORIGINAL: ENGLISH

96-81126 (E)

The meeting was called to order at 5.40 p.m.

AGENDA ITEM 116: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued)

1. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, reiterated the proposal she had made at the preceding meeting that the Committee should recommend for adoption by the General Assembly a draft decision reaffirming General Assembly resolutions 50/214, 50/230 and 50/231, and requesting the Secretary-General to defer any action regarding involuntary separation of the staff in the context of the programme budget for the biennium 1996-1997 until the Assembly had considered the Secretary-General's report as requested by resolution 50/214.

2. Mr. KELLY (Ireland), speaking on behalf of the European Union, regretted the fact that the Committee had failed to reach a consensus during the informal consultations. The European Union regarded as highly unsatisfactory the procedure of introducing a resolution which was not based on a report from the Secretary-General or the Advisory Committee. Referring to rule 120 of the rules of procedure of the General Assembly, he requested that no action should be taken unless the draft resolution submitted by the Group of 77 had been circulated to all delegations as an official document in all official languages at least 24 hours prior to discussions thereon.

3. Ms. PEÑA (Mexico) said that it was her delegation's understanding that despite the submission of the draft resolution, it was still possible to continue negotiations, as provided for by the last paragraph of rule 120 of the rules of procedure, in order to find a consensus.

4. Mr. ODAGA-JALOMAYO (Uganda) said that while he supported the draft decision, he regretted that the Committee had failed to reach agreement in the informal meetings. He therefore appealed to all sides to be flexible in order to arrive at a consensus and thus avoid putting the matter to a vote.

5. Mr. HANSON (Canada) said he hoped that when the Committee reconvened it would not be necessary to proceed to a vote on the issue. His delegation remained concerned that the Fifth Committee and the General Assembly should take no action which would interfere in relations between employer and employees in contravention of the staff rules and regulations and of the Charter of the United Nations. Since the proposal had now been formally submitted, his delegation formally wished to reiterate its request that legal advice should be rendered on the point at issue and looked forward to receiving that advice.

6. Ms. GOICOCHEA (Cuba) said that it was regrettable that the Committee had failed to reach agreement on the draft decision. She shared the concerns expressed with respect to the 24-hour rule. In that regard, the immediate translation and circulation of the draft decision to all delegations the following day would ensure that the Committee fully complied with the time limits provided for by the relevant rules of procedure of the General Assembly when it reconvened the following Monday to consider the draft text.

The meeting rose at 6 p.m.